

Minutes

LBNL Contract Assurance Council Meeting March 8, 2006

Participants

Council Members:

Others:

Bob Van Ness, Acting Chair	Jim Hirahara
Bruce Darling	Aundra Richards
Cliff Brunk	Sandy Merola
John Bireley	Jim Krupnick
Larry Coleman	Jeffrey Fernandez
Anne Broome	Susan Thomas
Pat Reed	Bill Eklund
Buck Koonce	
John Layton	

The Agenda for the Council Meeting is attached.

BSO Site Manager Presentation

The Council was very pleased to welcome Aundra Richards, Berkeley Site Office Manager, to share her views on Office of Science goals and expectations, performance/assurance issue areas, Performance Evaluation Management Plan (PEMP) status, and how the Contract Assurance Council can help ensure success at LBNL. Briefing charts are attached. Aundra began by stressing that Office of Science is pursuing a “Gold Standard” in all of its activities, setting a high standard to be recognized as best in class for both science and operations beyond Office of Science, i.e., within DOE as a whole, with Congress, and with the public. This is going to be critical to the Laboratory’s success in having an opportunity to make contributions to the President’s American Competitiveness Initiative.

With these high expectations in mind, Aundra indicated that FY05’s performance was outstanding in most areas, but we need to maintain outstanding performance where it exists, and focus on improving the less-than-outstanding areas. In FY06, there is particular focus on ES&H, HR, Property Management and Procurement. Additionally, attention needs to be given to new performance objectives that were not previously rated. Under Laboratory Leadership, DOE will be looking for contributions made by UC as the contractor, not just Laboratory management. Also, Internal Audit and Technology Transfer objectives are new. While not a specific new performance measure, Aundra pointed out that the large Work for Others (WFO) portfolio at the Laboratory needed to be carefully managed in accordance with DOE’s directive 481.1C to ensure an appropriate overall level of use, limited to complementary and beneficial activities that do not dilute the DOE mission of the Laboratory.

Aundra provided her perspective on how the PEMP process implemented by the new contract was proceeding. Her observations aligned very closely with matters discussed in prior Council meetings, e.g., structure of the M&O goals, continuous feedback so there are no year-end surprises, importance of both science and operations toward success in preserving the award-term option, and lessons learned from the FY06 1st Quarter meeting. Although HQ/Office of Science has the lead for assessing the S&T goals, Aundra also provided some insights in this area. Active communication

between HQ programs and LBNL , as well as among Laboratory programs, to clarify and report on performance objectives as defined in the PEMP is occurring. This is a positive sign. One program area, Energy Efficiency and Renewable Energy (EERE), may require additional attention to ensure clear performance expectations are in place.

Finally, Aundra indicated how the Council could help ensure success at LBNL. First, she asked that UC do as much as possible to leverage its broad capabilities and assets to provide specific management and institutional support to the Laboratory. The Council agreed that UC could offer much in this regard and mentioned some recent examples where such support was being provided. She noted that Lab Management had conducted a vulnerability assessment with Director Chu and his leadership team just this past week. UCOP has temporarily assigned Howard Hatayama as acting ES&H Director when the need arose, and his leadership has helped immensely in organizing and conducting the recent Peer Review that the Lab underwent. Many of the Peer Review members were brought in from other UC managed Labs, campuses or advisory panels on very short notice. An informal review team lead by UCOP and staffed with Project Management experts from other UC managed Labs critiqued LBNL's Earned Value Management System and suggested a number of improvements that helped the Lab earn their subsequent certification from DOE. UCOP arranged for the temporary reassignment of Jeffrey Fernandez to the CFO position when strong leadership was needed, and was actively engaged in his recruitment as the permanent CFO. More can and is being done, and additional emphasis will be needed to describe UC's contributions in the PEMP self-assessment of performance. A second way that the Council can help is to support efforts to address space and facility needs through alternative financing approaches. Promising opportunities such as the Computational Research and Theory Building, user dormitories, and nanoscience laboratories are being considered. Third, the Council should continue to provide balanced assurance oversight so that world-class science supported by world-class operations is achieved.

The Council was very appreciative of Aundra's remarks. While the Council has been involved in a number of these topics, there are some that will certainly need to be probed further or considered for future Council meetings.

Proposal Initiatives Status

Jim Krupnick provided a status report on the 26 proposal initiatives that were contained in the University's competitive proposal in response to the LBNL RFP. A status summary of Strategic Management Initiatives and Improvements was provided to the Council and is attached. 24 of the 26 initiatives were reported as proceeding satisfactorily. The remaining two initiatives were being monitored on the Director's "watch" list and were discussed by the Council. Establishment of a Workforce Review Process (Item #4) is behind schedule and, while actions and processes supporting this initiative have been implemented, a specific detailed plan has not been finalized. The Council will be provided a revised target completion date at the next monthly update. The second initiative on the "watch" list is the Small Business Subcontracting Commitment (Item #25), where first quarter results were less than the target goal. There was a high dollar value, large business award that adversely impacted the overall small business percentage achievements. First quarter results tend to be impacted more by such events because the dollar volume of awards tends to be lower in the first quarter. The Council expressed interest in monitoring quarterly trends to assess whether progress toward achieving annual goals was on the right track.

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Performance Evaluation Management Plan (PEMP), UC Visit, and Lessons Learned

Bob Van Ness began the discussion by mentioning that he and others from Laboratory Management had a very productive meeting with Director Chu and several of his key managers involved with the PEMP process to better understand what the Laboratory thought were key performance or assurance vulnerabilities that should be receiving management attention. A vulnerabilities tracking sheet was developed by the Office of Institutional Assurance as basis for discussions. It was based on analysis of the FY05 performance assessment, first quarter FY06 Appendix B PEMP performance, and other initiatives arising from DOE direction or internal/external audits. Jim Krupnick provided the Council with the tracking sheets (attached) and noted that validation from the Berkeley Site Office needed to be added, and updates will be provided to the Council on a monthly basis. It will also be used in monthly briefings within the Laboratory and with BSO. Jim reported that the process for conducting the next quarterly review will incorporate lessons learned from the first quarter, including capturing more formal BSO input and scheduling dry-run presentations to refine self-assessments so they are candid and supportable.

Results of Lehman Review of ESnet

Sandy Merola provided a briefing on the results of the Office of Science's independent review (called a "Lehman Review") of LBNL's management of the ESnet network. A graphic showing the scope of the national IP network connecting Office of Science activities was presented and is attached. In summary, the review results were very complementary of the Laboratory's management of the operation, concluding that ESnet is being effectively managed and is responsive to customers and to DOE Program Management, and that appropriate management controls are in place for effective project management and oversight. It went further to recommend that DOE's recent decision to pursue direct relationships with the U.S. research and education network community should be reconsidered to have LBNL pursue such relationships.

AGENDA

LBNL CONTRACT ASSURANCE COUNCIL

Wednesday, March 8, 2006

10:00 a.m. - 11:00 a.m. PST

1111 Franklin Street, 5th Floor, Room 5320

Call-in Number (866) 740-1260 Code: 9870914

10:00	Introductory Remarks	Bob Van Ness
10:05	DOE Improvement Priorities	Aundra Richards
10:25	Operations Update	David McGraw
10:30	Proposal Initiatives Status	Jim Krupnick
10:40	Performance Evaluation Management Plan UC Visit and Lessons Learned	Jim Krupnick
10:50	Results of Lehman Review of ESnet	Sandy Merola
10:55	Wrap-up, Action Items and scheduling next meeting	Bob Van Ness
11:00	Adjourn	
Council Members:		
VP Foley, Council Chair		AVP Van Ness
SVP Mullinix		AVP Birely
SVP Darling		AVP Boyette
General Counsel Holst		Deputy AVP Koonce
Vice Provost Coleman		
VP Broome		External Members:
Auditor Reed		Karen Clegg
Academic Senate Chair Brunk		John Layton